



Quarter 3, 2011 Financial Performance Overview

Presented by:

Alan Nicholl - Senior Vice President, Finance & CFO



Forward-Looking Statements

- The presentation and answers to questions today contain forward-looking statements which involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Factors that could have a material impact on any future oriented statements made herein include, but are not limited to: general economic, market and business conditions, product selling prices, raw material and operating costs, foreign exchange rates, interest rates, changes in law and public policy, the outcome of trade and labour disputes, and opportunities available to or pursued by the Company.
- For further details on these factors and our assumptions and applicable risks and uncertainties, please refer to Canfor Corporation's Annual Report for the year ended December 31, 2010.



Q3 2011 Review: Items Impacting Earnings Comparability

(millions of dollars, except for per share amounts)	Q3 2011		Q2 2011	
	\$	\$/Share	\$	\$/Share
Net income (loss) , as reported	\$ (9.6)		\$ 26.2	
Less: Non-controlling interests	\$ 12.0		\$ 24.1	
Net income (loss) attributable to equity shareholders of the Company	\$ (21.6)	\$ (0.15)	\$ 2.1	\$ 0.01
Non-operating / unusual items (after-tax, net of non-controlling interests)				
Foreign exchange (gain) loss on long-term debt and investments, net	\$ 11.0	\$ 0.08	\$ (1.4)	\$ (0.01)
(Gain) loss on derivative financial instruments	\$ 7.0	\$ 0.05	\$ (0.7)	\$ (0.00)
Restructuring costs related to changes in management group	\$ -	\$ -	\$ 2.6	\$ 0.02
Decrease in fair value of asset-backed commercial paper	\$ 1.8	\$ 0.01	\$ -	\$ -
Net impact of above items	\$ 19.8	\$ 0.14	\$ 0.5	\$ 0.01
Net income (loss), as adjusted	\$ (1.8)	\$ (0.01)	\$ 2.6	\$ 0.02

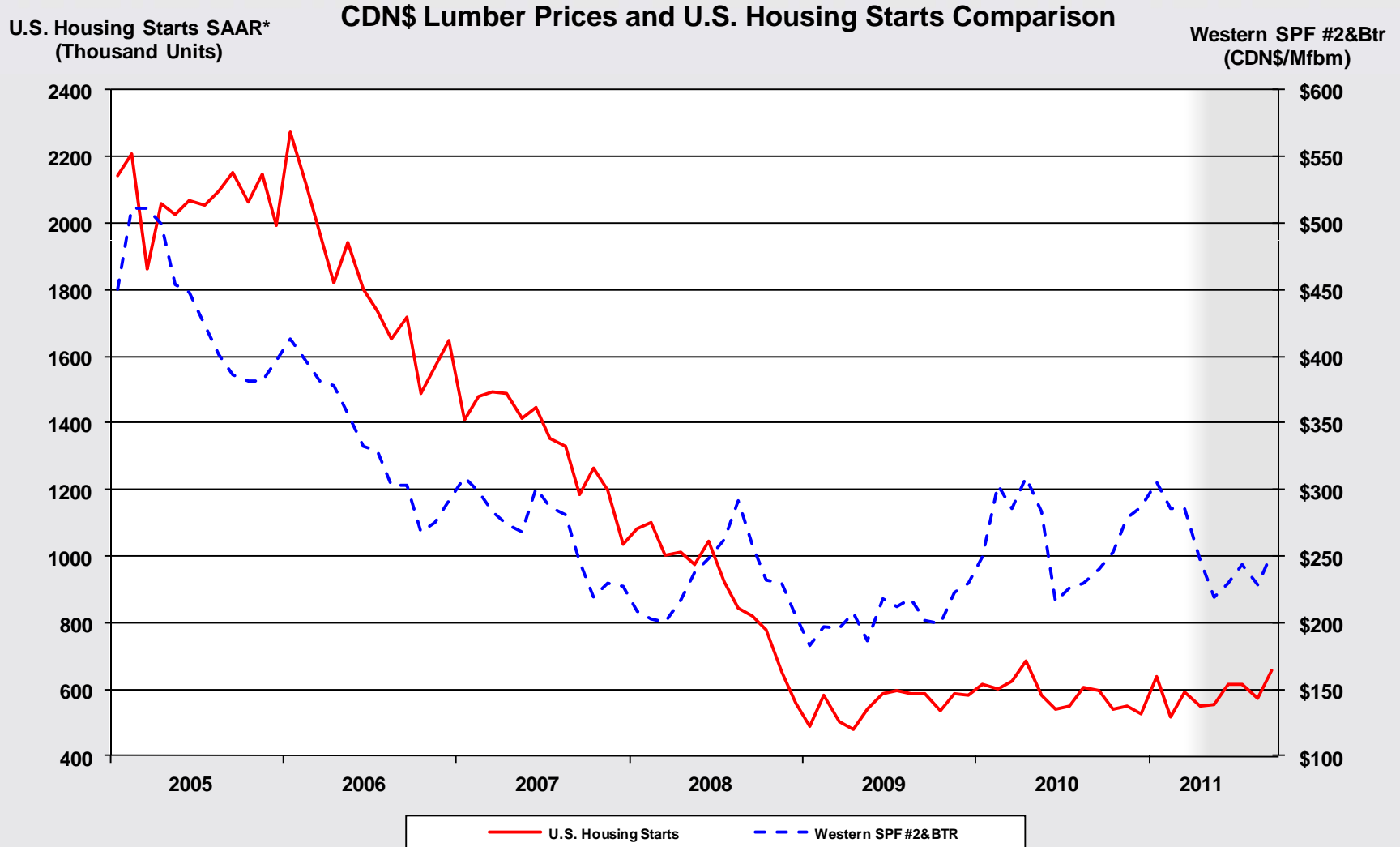


Sales and EBITDA Summary

(millions of dollars unless otherwise noted)	Q3 2011	Q2 2011	Variance
Gross Sales	\$ 602.1	\$ 619.1	\$ (17.0)
EBITDA by segment:			
Lumber	\$ 9.7	\$ 9.6	\$ 0.1
Pulp & Paper	\$ 51.5	\$ 63.4	\$ (11.9)
Unallocated and other	\$ (6.8)	\$ (6.2)	\$ (0.6)
Total EBITDA	\$ 54.4	\$ 66.8	\$ (12.4)
Average exchange rate (US\$ per C\$1.00)	\$ 1.020	\$ 1.033	\$ (0.013)
End of Period Exchange Rate (US\$ per C\$1.00)	\$ 0.963	\$ 1.037	\$ (0.074)



History of Lumber Prices (CDN\$) and U.S. Housing Starts



Note: Canadian price is calculated as the US price multiplied by the average monthly exchange rate per the Bank of Canada Source: U.S. Bureau of the Census and Random Lengths Publications, Inc.
* SAAR - Seasonally Adjusted Annual Rate



Lumber: Q3 2011 vs. Q2 2011

(millions of dollars unless otherwise noted)	Q3 2011	Q2 2011	Variance
Sales	\$ 331.4	\$ 331.2	\$ 0.2
Operating loss	\$ (11.7)	\$ (11.1)	\$ (0.6)
EBITDA	\$ 9.7	\$ 9.6	\$ 0.1
Average SPF 2x4 #2&Btr price in CDN\$	\$ 241	\$ 232	\$ 9
Average SYP 2x4 #2 lumber price in US\$	\$ 259	\$ 251	\$ 8
Production - SPF lumber (MMfbm)	814	788	26
Production - SYP lumber (MMfbm)	117	113	4
Shipments - Canfor-produced SPF lumber (MMfbm)	812	822	(10)
Shipments - Canfor-produced SYP lumber (MMfbm)	123	124	(1)

EBITDA up \$0.1 million to \$9.7 million

- Average NA Western SPF 2X4 #2&Btr price up \$9 to \$241/Mfbm, SYP 2x4 price up US\$8 to US\$259/Mfbm
- Offshore prices, which are negotiated monthly/quarterly in advance, saw modest decreases
- Positive impact of productivity improvements on unit cash conversion costs, offset by higher unit log costs, primarily reflecting challenging wet weather conditions



Pulp & Paper: Q3 2011 vs. Q2 2011

(millions of dollars unless otherwise noted)	Q3 2011	Q2 2011	Variance
Sales	\$ 260.5	\$ 277.0	\$ (16.5)
Operating income	\$ 37.3	\$ 48.1	\$ (10.8)
EBITDA	\$ 51.5	\$ 63.4	\$ (11.9)
Average NBSK pulp list price delivered to U.S. - US\$	\$ 993	\$ 1,025	\$ (32)
Average NBSK pulp list price delivered to U.S. - CDN\$	\$ 974	\$ 992	\$ (18)
Production - Pulp (000 mt)	274	315	(41)
Shipments - Canfor-produced pulp (000 mt)	291	304	(13)

EBITDA down \$11.9 million to \$51.5 million

- Average NBSK pulp price for U.S. delivery down 3% to US\$993, tempered by weaker Canadian dollar
 - Average list price to Europe down US\$37 to US\$980, price to China down US\$80 to US\$850
- Downtime at Canfor Pulp's Northwood mill for recovery boiler and precipitator upgrade
 - Higher unit cash conversion costs reflecting 13% lower pulp production